

1 ~~04 NCAC 16D .0101~~ — **COMPOSITION OF BOARD OF DIRECTORS**

2 ~~(a) Requirements for the composition of a board of directors are as follows:~~

3 ~~(1) Except in the case of a savings institution having 80 percent or more of any class of voting shares~~
4 ~~owned by a holding company or controlling person, no more than one third of the Board of Directors~~
5 ~~shall be salaried officers or employees of the savings institution, or of any subsidiary or any holding~~
6 ~~company or affiliate thereof or any controlling person affiliate thereof.~~

7 ~~(2) In the case of a savings institution having 80 percent or more of any class of voting shares owned by a~~
8 ~~holding company or controlling person, no more than 49 percent of the Board of Directors shall be~~
9 ~~salaried officers or employees of the savings institution, or of any subsidiary or any holding company~~
10 ~~or affiliate thereof or any controlling person affiliate thereof.~~

11 ~~(3) No more than two directors shall be members of the same immediate family.~~

12 ~~(4) No two directors who are attorneys may be members of the same law firm.~~

13 ~~(5) No more than one third of the Board of Directors shall be directors, officers or employees of a~~
14 ~~competing financial institution.~~

15 ~~(6) The managing officer of the savings institution shall be a member of the Board of Directors.~~

16 ~~(b) A director shall not vote on any matter in which he has a personal or financial interest.~~

17 ~~(c) When a savings institution takes action resulting in the establishment of a new chief executive officer or director, the~~
18 ~~savings institution shall notify the Administrator in writing in advance of such change, and shall provide the name of the~~
19 ~~new chief executive officer or director, the effective date of the appointment, and a statement of the person's past and~~
20 ~~current business and professional affiliations. The name of any departing chief executive officer or director shall also be~~
21 ~~provided.~~

23 *History Note: Authority G.S. 54B-55;*

24 *Eff. August 31, 1981;*

25 *Amended Eff. April 15, 1993; February 15, 1992; July 1, 1990; September 1, 1984.*